



Attachment 4

Budget

Greater Monterey County IRWM Region

*“Addressing an Urgent Water Supply Need for a Disadvantaged Community
in the Greater Monterey County IRWM Region”*

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Project #1: Castroville Water Supply and Water Conservation Project

Table 8 – Project Budget

Proposal Title: Addressing an Urgent Water Supply Need for a Disadvantaged Community in the Greater Monterey County IRWM Region

Project Title: Castroville Water Supply and Water Conservation Project

Project serves a need of a DAC?: Yes

Funding Match Waiver request?: Yes

Category		(a)	(b)	(c)	(d)
		Requested Grant Amount	Cost Share: Non-State Fund Source* (Match)	Cost Share: Other State Fund Source*	Total Cost
(a)	Direct Project Administration				
	Task 1 - Grant Administration	\$21,500	\$3,500		\$25,000
	Task 2 - Project Management	\$206,400	\$33,600		\$240,000
	Task 3 - Labor Compliance	\$8,600	\$1,400		\$10,000
	Task 4 - Grant Application Costs	\$34,400	\$5,600		\$40,000
(b)	Land Purchase/Easement				
(c)	Planning/Design/Engineering/ Environmental Documentation				
	Task 5 - Feasibility Studies	\$4,300	\$700		\$5,000
	Task 6 - CEQA Documentation	\$40,420	\$6,580		\$47,000
	Task 7 - Permitting				
	Task 7.1 - State and Local Permits for Installation of Water Supply	\$25,800	\$4,200		\$30,000
	Task 7.2 - FEMA Review	\$4,300	\$700		\$5,000
	Task 7.3 - Fire District Review	\$4,300	\$700		\$5,000
	Task 8 - Design	\$154,800	\$25,200		\$180,000
	Task 9 - Project Performance Monitoring Plan	\$30,100	\$4,900		\$35,000
(d)	Construction/Implementation				
	Task 10 - Contract Services	\$51,600	\$8,400		\$60,000
	Task 11 - Construction Administration	\$344,000	\$56,000		\$400,000
	Task 12 - Construction of Well, Water Treatment and Storage Tank Design Build	\$3,440,000	\$560,000		\$4,000,000
	Task 13 - Construction Contingency 10%	\$344,000	\$56,000		\$400,000
	Task 14 - Implementation of Water Conservation Activities				
	Task 14.1 - Education, Training and Workshops	\$49,708	\$8,092		\$57,800
	Task 14.2 - Rebate Program	\$172,000	\$28,000		\$200,000
(e)	Grand Total	\$4,936,228	\$803,572		\$5,739,800

*List sources of funding: All match is from Castroville CSD water reserve account, invested with LAIF.

Budget Narrative

Project costs for the Castroville Water Supply and Water Conservation Project total \$5,739,800. Requested IRWM grant funds total \$4,936,288, and the non-State matching contribution totals \$803,572.

Matching funds: As discussed in Attachment 7, the Castroville Community Services District (CCSD) provides water service to an area that is designated according to 2009-2013 ACS as 44% disadvantaged community (DAC). The CCSD is requesting a funding match waiver for the 44% of its service area population that meets the DAC criterion. We calculated the required funding match as follows: With the assumption that 56% of the service area is non-DAC, then the required match will be 25% x 56% of the total proposal cost, or 14% of the total proposal cost. The non-State matching contribution of \$803,572 comprises 14% of the total project cost. All matching funds will come from CCSD's water reserve account, which is invested with the Local Agency Investment Fund (LAIF, State Treasurer's Office, State of California). The CCSD has sufficient funds in the water reserve account to cover the proposed matching contribution.

Budget Category (a): Direct Project Administration

Direct Project Administration totals \$315,000, with a requested grant amount of \$270,900 and non-State matching contribution of \$44,100. The total reimbursed cost for Direct Project Administration is less than 5% of the proposal cost: \$270,900 divided by \$5,739,800 = 4.7%.

Direct Project Administration is comprised of four tasks, Task 1 - Grant Administration, Task 2 - Project Management, Task 3 - Labor Compliance, and Task 4 - Grant Application Costs. Task 1 - Grant Administration costs were analyzed based on similar grant administration costs from the 2014 IRWM Implementation Grant. Task 2 - Based on best management practices of project management, the project management duties associated with the \$5.7 million project were calculated to be less than 5% of the project cost (= \$240,000). Task 3 - The Labor Compliance budget was estimated at \$10,000, based on \$150 per hour for a civil engineer to perform the labor compliance duties during and following construction (over an 18-month period). Task 4 - All of the grant application costs have been incurred, and will be supported by invoices (dated August 2015).

Budget Category (b): Land Purchase/Easement

N/A: No costs for land purchase have been included because the site of the proposed well, water treatment facility, and storage tank is owned by the CSD. Water conservation activities will not require land purchase or easement.

Budget Category (c): Planning/Design/Engineering/Environmental Documentation

This category is comprised of five tasks and three subtasks. The total cost for this budget category is \$307,000, with a requested grant amount of \$264,020 and non-State match of \$42,980.

Task 5 – Feasibility Studies for the project were completed at the end of July 2015. The budget is based on expected cost (invoices have not yet been submitted).

Task 6 – CEQA Documentation costs are based on reasonable efforts by environmental planning firms for a comparable project, which will not have a significant impact on the environment (personal communication with Denise Duffy and Assoc. on August 5, 2015, confirming that \$50,000 is an appropriate planning budget based on their experience with other projects of similar size).

Task 7 – Permitting includes both permit fees and efforts to obtain State and local permits for water supply, verification of FEMA floodplain mapping, and review by the Fire Department. Fees are estimated to cost about \$30,000. The fee estimate is based on the following: Monterey County Fee Schedule accessed on the County's website with an effective date of July 1, 2015 for use permits, environmental review and recording (accessed on July 29, 2015); Monterey County Environmental Health Bureau fees were verified as unchanged since the 2014 effective date of the information posted on the website (personal communication with Health Bureau staff July 24, 2015); State Water Resources Control Board (SWRCB) permit fees were estimated based on the SWRCB fee schedule for WS Permits accessed on the Drinking Water Program webpage August 5, 2015; and North Monterey County permits and fees were confirmed in a personal communication with the District Office on August 5, 2015. Subtasks 7.1 (State/local permits) and 7.2 (FEMA review) will be performed by a senior civil engineer at \$160/hr, and subtask 7.3 (Fire District Review) will be performed by a civil engineer at \$150/hour.

Task 8 – Design includes engineering analysis, which will be performed to the 30% level and will include 30% design and cost estimate, geotechnical report and initial topo survey. The cost for this budget item is estimated at the prorated portion of the total design; design is estimated at 15% of the construction costs (\$4 million x .15 = \$600,000), and this task is estimated at 30% of that (\$600,000 x .30 = \$180,000). This estimate was developed based on a commonly accepted and reasonable method for estimating design costs on the basis of construction of public works improvement.

Task 9 – This task includes the development of the Project Performance Monitoring Plan along with monitoring and tracking data during the quarterly cycles, reporting to regulatory agencies as required, and ensuring that data is reported in accordance with the IRWM Plan approved for the Greater Monterey County for data sharing with appropriate State agencies. This task was estimated at 3-4 hours per week at a rate of \$150 per hour from the beginning of the contract award until completion.

Budget Category (d): Construction/Implementation

Construction/Implementation is comprised of five tasks and two subtasks. The total cost for this budget category is \$5,117,800, with a requested grant amount of \$4,401,308 and non-State match of \$716,492.

Task 10 – The Contract Services budget was developed based on another similar water project that required development of design-build procurement documents. In March 2015, the CSD board awarded a professional services contract for design-build procurement documents for the amount of \$50,000. For this project, this amount was increased slightly to \$60,000 in order to address increased complexity of the proposed project.

Task 11 – Construction Administration was determined based on a percentage of construction cost. Estimating construction administration as 10% of construction value is a commonly accepted practice for public infrastructure projects.

Task 12 – Construction of Well, Water Treatment, and Storage Tank Design Build: This budget was developed based on bids and engineering knowledge of other public works infrastructure for municipal agencies. The budget for the well was developed by Martin Feeney, Hydrogeologist, who utilized bids from contracts in Morgan Hill, a small municipality in close proximity to Castroville. The budget for water treatment was based on a recent bid in the Castroville community for arsenic treatment. The cost of the tank was based on an estimate from MNS Engineers in an analysis for a previous IRWM Implementation Grant for a tank of similar size.

Task 13 – Construction Contingency has been established at 10%. It is noted that the drought in California has created a price escalation for agencies due to the limited supply of equipment and labor to complete the number of wells being implemented. This price escalation may result in higher costs than expected; that information may change, however, with forecasted El Niño winter conditions. We have therefore kept the contingency at 10%.

Task 14 – Implementation of Water Conservation Activities: The budget estimates were developed using information received from Ecology Action (who will partner with CSD to conduct these two subtasks) in their DAC Water Conservation Proposal dated April 24, 2014. The estimates were updated in follow-up emails¹ adding a slight increase in costs for the training and workshops related to the “laundry to landscape” component, and to further expand the water conservation program to include rainwater collection and turf replacement. Workshops and presentations are priced at a flat rate per scheduled event. Workshops are approximately \$2,200 and presentations are \$1,000 including Ecology Action facilitation and follow up. Staff time for development of publicity, advertising, and workshop materials, recruitment of suppliers, coordination with community groups and businesses or public agencies and recordkeeping will be billed at a rate of \$95/hour plus an annual cost of living adjustment as adopted by the agency.

The program will provide participants with vouchers or coupons to offset the cost of installation of water conservation materials as follows: \$150 for “laundry to landscape” for single-family residence, \$80 for rain barrels, \$1,500 for cisterns for single-family residences, \$5,000 for cisterns for businesses and public/non-profit institutions, and \$1 per square foot for turf replacement for all installations.

¹ Emails from Ecology Action to Karen Nilsen, Nilsen & Assoc., dated June 17, 2015, July 20, 2015 and August 3, 2015.

Table 9 – Proposal Budget						
Proposal Title: Addressing an Urgent Water Supply Need for a Disadvantaged Community in the Greater Monterey County IRWM Region						
Individual Project Title		(a)	(b)	(c)	(d)	(e)
		Requested Grant Amount	Cost Share: Non-State Fund Source (Match)	Cost Share: Other State Funding Sources	Total Cost	% Funding Match
(a)	Castroville Water Supply and Water Conservation Project	\$4,936,228	\$803,572		\$5,739,800	14%
(b)	Proposal Total	\$4,936,228	\$803,572		\$5,739,800	14%
(c)	DAC Funding Match Waiver Total	-	-	-	\$2,525,512*	
(d)	Grand Total	-	-	-	\$3,214,288	25%

* This amount = 44% of the project total cost, since the project will serve an area that is 44% DAC.